



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE CHAGUARAMAS DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30TH SEPTEMBER, 2012

The accompanying Financial Statements of the Chaguaramas Development Authority for the year ended 30th September, 2012 have been audited. The Statements as set out on pages 1 to 17 comprise the Statement of Financial Position as at 30th September, 2012, a Statement of Comprehensive Income, a Statement of Changes in Equity, a Statement of Cash Flow for the year ended 30th September, 2012 and Notes to the Financial Statements numbered 1 to 18.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Chaguaramas Development Authority is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit which was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and Section 29 (2) of the Chaguaramas Development Authority Act, Chapter 35:02 (the Act). The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. The Auditor General's responsibility is to express an opinion on these Financial Statements based on conducting the audit in accordance with auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, sufficient appropriate audit evidence was not obtained to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

5. Several records and documents were not provided for audit. As a result the figures shown for Property, plant and equipment, Investment properties, Development costs, Cash and Cash Equivalent, Inventories-Supplies, Trade and other receivables, Contributed capital and Revaluation Reserve, Trade and other payables, Cost of Sales, Finance Income and Finance Cost were not verified.

DISCLAIMER OF OPINION

6. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

SUBMISSION OF REPORT

7. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

**6TH SEPTEMBER, 2016
PORT-OF-SPAIN**



MA

**MAJEED ALI
AUDITOR GENERAL**

*SS
20160906*



Chaguaramas Development Authority

Financial Statements

For the year ending 30th September, 2012

Chaguaramas Development Authority

**Unaudited Financial Statements
For the year ended 30 September 2012**

Contents	Page
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Accounting Policies	7- 9
Notes to the Financial Statements	10 - 17

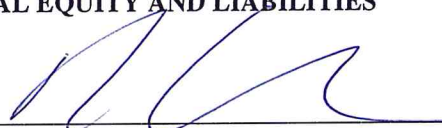

Chaguaramas Development Authority

Unaudited Financial Statements
For the year ended 30 September 2012

Statement of Financial Position

	Notes	As at September 30th	
		2012 \$' 000	2011 \$' 000
Assets			
Property, plant and equipment	2	282,574	283,559
Investment properties	3	42,597	42,597
Development costs	4	35,871	27,144
Total Non-Current Assets		361,042	350,170
Cash and cash equivalents	5	12,004	15,453
Inventories - Supplies		551	465
Trade and other receivables	6	25,841	22,717
Total Current Assets		38,396	38,635
TOTAL ASSETS		399,438	391,935
Equity			
Contributed Capital	7	81,775	81,775
Revaluation Reserve	8	234,160	234,160
Retained earnings/ accumulated deficit		(3,689)	11,398
Total Equity		312,246	327,333
Non-Current Liabilities			
Government grants deferred	9	49,526	35,072
Deferred lease rental income	10	27,606	19,261
Total Non-Current Liabilities		77,132	54,333
Current Liabilities			
Deferred lease rental income	10	3,636	1,151
Trade and other payables	11	6,424	9,118
Total Current Liabilities		10,060	10,269
Total Liabilities		87,192	64,602
TOTAL EQUITY AND LIABILITIES		399,438	391,935



 Chairman  Secretary

The accounting policies on pages 7-9 and the notes on pages 10-16 are an integral part of these Financial Statements.

These accounts were approved by the Board of Directors on 25/Jul/2013

R

Chaguaramas Development Authority

**Unaudited Financial Statements
For the year ended 30 September 2012**

Statement of Comprehensive Income

		For the year ended September 30th	
		2012	2011
		\$' 000	\$' 000
Revenue	12	28,443	31,001
Cost of Sales	13	(2,814)	(5,276)
Gross Profit		25,629	25,725
Other Income	14	1,841	4,987
Administrative Expenses	15	(38,861)	(31,513)
Other Operating Expenses	16	(3,635)	(3,141)
Operating Loss		(15,026)	(3,942)
Finance Income	17	145	98
Finance Costs		(206)	(56)
Finance Costs (Net)		(61)	42
Deficit For The Year		(15,087)	(3,900)

The accounting policies on pages 7-9 and the notes on pages 10-16 are an integral part of these Financial Statements



P

Chaguaramas Development Authority

**Unaudited Financial Statements
For the year ended 30 September 2012**

Statement of Changes in Equity

	Contributed Capital	Revaluation Reserve	Accumulated Deficit	Total
	\$' 000	\$' 000	\$' 000	\$' 000
Year ended 30 September 2012				
Balance at 1 October 2011 as reported	81,775	234,160	11,398	327,333
Deficit for the year	-	-	(15,087)	(15,087)
Balance at 30 September 2012	81,775	234,160	(3,689)	312,246
Year ended 30 September 2010				
Balance at 1 October 2010 as reported	81,775	234,160	15,298	331,233
Deficit for the year	-	-	(3,900)	(3,900)
Balance at 30 September 2011	81,775	234,160	11,398	327,333

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

Statement of Cash Flow

		For the year ended September 30 th	
	Notes	2012 \$' 000	2011 \$' 000
Cash flows from operating activities			
Operating loss		(15,026)	(3,942)
Interest received	17	145	98
Interest Paid		(206)	(56)
		<u>(15,087)</u>	<u>(3,900)</u>
Adjustments for:			
Depreciation and Amortization	2,4	6,502	5,678
Gain on Disposal		(95)	-
Trade and other receivables	6	(3,124)	(7,477)
Inventories		(86)	(254)
Trade and other payables		(2,694)	2,374
Deferred lease rental income		10,830	(335)
Prior year adjustments		-	-
Net cash generated from operating activities		<u>(3,754)</u>	<u>(3,914)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	2	(2,048)	(1,238)
Proceeds from Sale of Assets		155	-
Increased development costs		(12,256)	(7,570)
Net cash used in investing activities		<u>(14,149)</u>	<u>(8,808)</u>
Cash flows from financing activities			
(Decrease)/ increase in government advances		<u>14,454</u>	<u>10,561</u>
Net cash generated from/used in financing activities		<u>14,454</u>	<u>10,561</u>
Net increase in cash and cash equivalents		(3,449)	(2,161)
Cash and cash equivalents at beginning of year		<u>15,453</u>	<u>17,614</u>
Cash and cash equivalents at end of year		<u><u>12,004</u></u>	<u><u>15,453</u></u>

The accounting policies on pages 7 to 9 and the notes on pages 10 to 16 are an integral part of these financial statements.

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) Financial instruments

Financial instruments carried on the Statement of Financial Position include cash and bank balances, accounts receivable, and accounts payable are stated at their approximate fair values determined in accordance with the policy statements disclosed.

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost and are depreciated on the reducing balance basis, at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Land improvements	-	10%
Buildings	-	2%
Plant and machinery	-	25%
Equipment	-	10%
Furniture and fittings	-	10%
Vehicles	-	25%
Computers and software	-	33.3 %

Profits or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

Land is not depreciated and reflected at the revalued cost in 1991. The surplus that arose as a result of the revaluation in 1991, was treated as a revaluation reserve.

(d) Investment properties

Investment properties, principally comprising of freehold land, are held to earn rentals and long term capital appreciation and are not occupied by the Authority. Investment properties are treated as long

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

term investments and are measured using the cost model in accordance with IAS 40.

(e) Development costs

Development costs related to the upgrade of facilities and infrastructure are capitalized and amortized over the period of its useful life as determined by the Authority. Development costs are amortized between 2% and 10%.

(f) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost and comprise cash in hand and cash at bank, short term investments and bank overdrafts.

(g) Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

(h) Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions.

Government grants relating to expenses are deferred and are included in non-current liabilities. They are recognized in the income statement over the period necessary to match them with the net expenditure for the year, which they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a consistent basis over the expected useful lives of the related assets.

(i) Foreign currency translation

i) Functional and presentational currency

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Trinidad and Tobago dollars ("TT\$"), which is the company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement.

Chaguaramas Development Authority

**Unaudited Financial Statements
For the year ended 30 September 2012**

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equities are included in the fair value reserve in equity.

(j) Revenue recognition

Sales are recognized upon delivery of products or on the performance of services. Sales are shown net of value added tax and discounts.

Other revenue earned by the company is recognized on the following bases:

Interest income – on an effective yield basis

(k) Income from leases

The premiums received on leases are accounted for on a deferral basis. They are taken into income in equal annual amounts over the lives of the leases.

Commitment fees received on all leases are taken into income upon receipt.

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

Notes to the Financial Statements

1. Incorporation and principal activity

The Authority is a Government Agency governed by the CDA Act No 37 of 1972. Its principal function is the development of the North-West Peninsula in accordance with a development plan and development order. And, to ensure that such development is carried out in conformity with the requirements of the Town and Country Planning Act.

2. Property, plant and equipment

	Land, buildings and Improvements	Plant and Machinery	Furniture, Fixtures and Equipment	Motor Vehicles	Computers and Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 September 2012						
Opening net book value	276,371	1,079	4,533	1,360	216	283,559
Additions	14	275	693	947	119	2,048
Disposals	-	(24)	-	(36)	-	(60)
Depreciation charge	(1,615)	(304)	(465)	(507)	(82)	(2,973)
Closing net book value	274,770	1,026	4,761	1,764	253	282,574
At 30 September 2012						
Cost	299,942	3,385	12,629	6,886	2,147	324,989
Accumulated depreciation	(25,172)	(2,359)	(7,868)	(5,122)	(1,894)	(42,415)
Closing net book value	274,770	1,026	4,761	1,764	253	282,574
Year ended 30 September 2011						
Opening net book value	277,665	1,099	4,726	1,815	167	285,472
Additions	433	366	299	-	140	1,238
Adjustments	-	-	-	-	-	0
Depreciation charge	(1,727)	(386)	(492)	(455)	(91)	(3,151)
Closing net book value	276,371	1,079	4,533	1,360	216	283,559
At 30 September 2011						
Cost	299,928	3,414	11,936	6,595	2,028	323,901
Accumulated depreciation	(23,557)	(2,335)	(7,403)	(5,235)	(1,812)	(40,342)
Closing net book value	276,371	1,079	4,533	1,360	216	283,559

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

3. Investment Properties

	2012	2011
	\$'000	\$'000
Mainland Properties	22,286	22,286
Offshore Properties	20,311	20,311
	<u>42,597</u>	<u>42,597</u>

The following is a listing of the investment properties and the corresponding acreages held:

Mainland Properties

	Acreage	\$'000
Properties under long term lease arrangements 3 years	32,330	14,130
Properties unoccupied with potential for lease arrangements	1,160	507
Occupied Properties	17,501	7,649
	<u>50,991</u>	<u>22,286</u>

Offshore Properties

Monos Island	18,455	8,066
Gaspareee Island	14,288	6,245
Huevos Island	11,390	4,978
Chacacharare Island	2,339	1,022
	<u>46,472</u>	<u>20,311</u>

4. Development Costs

	2012	2011
	\$'000	\$'000
Costs as at 30 September	62,412	50,156
Accumulated Amortization	(26,541)	(23,012)
Net Book Value at 30 September	<u>35,871</u>	<u>27,144</u>

Development costs are incurred in keeping with the Authority's approved development programme and include the improvements to existing buildings. These costs include costs incurred for plans, designs and other consultancy works and are amortized over the period of expected future benefit.

Expenditure for the acquisition and refurbishment of existing assets, which are funded under the development programme, are amortized in a manner consistent with the policy for fixed assets.

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

Description	Rate	Cost/ Appraised Value b/f @1/10/2011 '000	Additions/ (Transfers) '000	Cost/ Appraised Value c/f @30/9/2012 '000	B/f Amortization '000	Amortization Charge 2012 '000	Accumulated Amortization c/f @ 30/9/2012 '000	NBV c/f @30/9/2012 '000
Dev. Project- Hotel/CHACC	4%	3,925		3,925	2,463	58	2,521	1,404
CDP Chag Hotel & Conv Centre	2%	12,550	(197)	12,353	6,972	215	7,187	5,166
CDP Improvements to Macq Beach	10%	9,236	39	9,275	2,281	699	2,980	6,295
Electronic Surveillance System, Motor Vehicle and Equipment	10%	5,932	117	6,050	1,007	504	1,511	4,539
CDP Improvements Golf Course	10%	2,067	130	2,197	1,666	53	1,720	477
Organizational Strengthening	10%	4,160	59	4,752	1,276	348	1,624	3,128
Infrastructure	10%	1,876	216	2,092	1,876	22	1,898	194
Chagville Beach	10%	4,001	7,113	11,114	1,785	933	2,717	8,397
National Park	10%	871		871	782	9	791	79
Welcome Centre & Cottages	10%	183	25	208	30	17	47	161
Head Office Renovation	10%	1,050	2,815	3,865	128	374	502	3,363
CDP Information Technology Rat	10%	786		786	709	8	717	69
CDP Marketing & Public Relation Dev.	10%	231		231	231		231	0
CDP Williams Bay	10%	66		66	66		66	0
CDP Chag Forest Rehabilitation	10%	99		99	38	6	44	55
CDP Chag Development Plan	10%	940	366	1,306	481	82	563	743
Dev. Project W.I.P.	10%	1,623	1,071	2,694	1,119	157	1,276	1,418
Tucker Valley Farm	10%	561	(32)	529	103	43	146	383
TOTAL		50,157	12,256	62,413	23,013	3,528	26,541	35,871

5. Cash and Cash Equivalents

	2012 \$'000	2011 \$'000
Cash at Bank and on Hand	6,105	4,189
Bank Overdraft	(1,575)	-
Short Term Deposits	7,474	11,264
	<u>12,004</u>	<u>15,453</u>

Chaguaramas Development Authority

**Unaudited Financial Statements
For the year ended 30 September 2012**

Short term deposits are deposits with maturities of three months or less and are represented as follows:

	2012 \$'000	Effective Interest Rate	2011 \$'000	Effective Interest Rate
Republic Bank Money Market	205	1%	203	1.20%
First Citizens Bank Money Market	126	1.97%	123	0.16%
Roytrin Mutual fund	-	-	-	-
Unit Trust Corporation 2 nd Unit Scheme	6,334	1.30%	10,138	2.10%
RBTT Bank Fixed Deposit	-	-	-	-
FCB Fixed Deposit	809	1.00%	800	3.00%
Treasury Bills	-	-	-	0.40%
	7,474		11,264	

6. Trade and Other Receivables

	2012 \$'000	2011 \$'000
Trade Receivables	22,986	20,094
Other Receivables	2,433	2,382
Prepayments	38	-
VAT Refundable	384	241
	25,841	22,717

7. Contributed Capital

	2012 \$'000	2011 \$'000
Capital vested as at December 31, 1990	79,891	79,891
Capital acquired by transfer of Gasparee Caves facility in 1991	1,015	1,015
Institute of Marine Affairs building vested on June 30, 1993	469	469
Development projects sponsorship contributions	400	400
	81,775	81,775

8. Revaluation Reserve

	2012 \$'000	2011 \$'000
Surplus arising from revaluations of assets in 1991	234,160	234,160
	234,160	234,160

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

9. Government Grants Deferred

	2012	2011
	\$'000	\$'000
Balance at beginning of year	35,072	24,511
Grants received in current year	16,000	14,585
Transfer to Income Statement re: Current Year	(1,546)	(4,024)
	<u>49,526</u>	<u>35,072</u>

The balance in this account represents the amount of government grants received in 2012 for development expenditure, reduced by an appropriate amount transferred to the Income Statement which represents the recognition of the government grants on a systematic basis over the expected useful lives of assets funded.

A transfer has also been made in 2012 for amounts utilized from government grants transferred to the expenditure accounts during 2012.

10. Deferred Lease Rental Income

	2012	2011
	\$'000	\$'000
At beginning of year	20,412	20,747
Increased premiums	18,911	648
Amounts brought into income	(8,081)	(983)
At End of Year	<u>31,242</u>	<u>20,412</u>
Long Term Portion	27,606	19,261
Current Portion	3,636	1,151
At End of Year	<u>31,242</u>	<u>20,412</u>

11. Trade and Other Payables

	2012	2011
	\$'000	\$'000
Trade Payables	5,304	8,378
Refundable Caution Deposits	1,120	740
	<u>6,424</u>	<u>9,118</u>

2

Chaguaramas Development Authority

**Unaudited Financial Statements
For the year ended 30 September 2012**

12. Revenue

	2012	2011
	\$'000	\$'000
Tenancy Income	24,936	26,130
Golf Course Income	902	672
CHACC Income	1,997	2,618
Tour Income	368	361
Tucker Valley Farm - Sales	240	1,220
	<u>28,443</u>	<u>31,001</u>

13. Cost of Sales

	2012	2011
	\$'000	\$'000
Insurance	159	191
Materials and Supplies	476	289
Other Costs	34	106
Production Costs – TVF	448	2,424
Repairs and Maintenance	257	198
Salaries and Wages	1,048	1,485
Telephone	61	56
Utilities	331	527
	<u>2,814</u>	<u>5,276</u>

14. Other Income

	2012	2011
	\$'000	\$'000
Public Sector Investment Income	1,546	4,024
Donations	20	670
Security Services	46	172
Other	229	121
	<u>1,841</u>	<u>4,987</u>

Chaguaramas Development Authority

Unaudited Financial Statements For the year ended 30 September 2012

15. Administrative Expenditure

	2012	2011
	\$'000	\$'000
Bad Debts	-	-
Consulting and Contracting Services	856	536
Depreciation and Amortization	6,502	5,678
Directors Remuneration	624	539
Foreign Travel	40	221
General Expense	1,220	526
Insurance	349	294
Legal Fees	2,590	301
Materials and Supplies	722	529
Industrial Relations	134	0
Office Stationery	292	318
Promotions and Advertising	1,673	811
Repairs and Maintenance	614	489
Salaries and Wages	21,519	20,025
Salary Related Cost	624	463
Telephone	827	534
Utilities	275	249
	<u>38,861</u>	<u>31,513</u>

16. Other Operating Expenditure

	2012	2011
	\$'000	\$'000
Consulting and Contracting Services	302	260
Mainland and Sea Tours Expenses	62	43
Maintenance of Building and Grounds	540	483
Materials and Supplies	356	410
Other Costs	215	35
Utilities	27	0
Salaries and Wages	1,730	1,414
Vehicle Maintenance	403	496
	<u>3,635</u>	<u>3,141</u>

17. Finance Income

	2012	2011
	\$'000	\$'000
Bank Interest	16	43
Investment Interest	129	55
	<u>145</u>	<u>98</u>

18. Significant Event After Balance Sheet Date

On Cabinet Minute No. 3289 dated December 8, 2012, it was agreed that the Chaguaramas Development Authority grant a lease of approximately 100 acres of land of the Tucker Valley Farm at Chaguaramas each to:

- (a) The Ministry of Food Production, Land and Marine Affairs for the production of certified botanically true commercial seed for the local farming community for research activity on non-traditional crops at a peppercorn rent of \$10.00 per annum; and
- (b) Private investment for the operation and management of a commercial large farm enterprise which would produce crops that are of strategic national importance and aligned to the food security thrust of the Ministry of Food Production, Land and Marine Affairs. The leases will be granted by CDA in accordance with the terms and conditions set by the Commissioner of State Lands (Minute No. 2003 of August 4, 2012).

As a result of the above, the Authority will discontinue all farming operations at the Tucker Valley Farm effective January 31, 2012. Although this operation will be discontinued, the Authority will receive lease rentals from private investors for the land use. An estimate of the financial impact of this decision cannot yet be determined.